

Revised September 18, 2000

ATTACHMENT A

Scope of work: FY00 Eagle Canyon Ranch (Pelton property) Conservation Easement

The proposed grant will fund the purchase of a conservation easement on approximately 990 acres along Digger Creek and the North Fork of Battle Creek. The Eagle Canyon Ranch (Pelton property) begins at the confluence of the North Fork and Digger Creek and includes approximately 2.5 miles of frontage on the south side of the North Fork and riparian water rights on Digger Creek. The Eagle Canyon Ranch (Pelton property) had previously been used as a sheep ranch, although new owners have reintroduced cattle. By purchasing a conservation easement on the property, The Nature Conservancy intends to protect a significant portion of winter-run and spring-run chinook salmon spawning habitat in the North Fork from land use conversion and loss of riparian vegetation. Digger Creek also provides an additional source of cool waters for the North Fork. Grant funds will be used to acquire the conservation easement at fair market value as determined by a qualified appraiser. Grant funds will be used to cover direct costs including survey, appraisal, hazardous materials phase I assessment, baseline report, closing costs and escrow fees as well as staff salaries and overhead.

The Nature Conservancy has met with the owner to discuss the purchase of the conservation easement. Given the private nature of the negotiations at this point, the Battle Creek Watershed Conservancy has not yet been contacted. However, that organization supports the acquisition of conservation easements as discussed in their proposed watershed community strategy, has supported other TNC easement projects on Battle Creek and provided a letter in support of TNC's FY99 CALFED proposal for Battle Creek. Since this is a relatively new project, no other funding source has been contacted at this time. The Nature Conservancy may, in the future, transfer the conservation easement to a qualified public agency or private, non-profit organization for long-term monitoring (provided that this transfer is in accordance with OMB Circular A-110, see agreement section "XII.A.2").

Intended benefits of the project: Battle Creek supports a Sacramento River tributary ecosystem that is highly ranked in the CALFED Ecosystem Restoration Program Plan and in the U.S. Fish and Wildlife Service's Anadromous Fish Restoration Plan. Protection of the portion of Battle Creek covered by this property, including the associated riparian and upland habitats, seeks to address several key objectives of the AFRP by working to improve the long-term sustainability of natural production of anadromous fish populations, to ensure compatible agricultural uses of riparian and upland habitat, to prevent degradation of habitat due to conversion to more intensive uses and to involve partners in the local community in the implementation of habitat protection and enhancement efforts.

The U.S. F&WS, along with other agencies and PG&E, has already participated in the negotiation of an agreement to remove five dams along Battle Creek in an effort to restore instream habitat for four runs of chinook salmon and steelhead trout. By protecting existing

riparian vegetation and the surrounding lands from land use conversion along the creek, it is anticipated that further preservation of this critical anadromous fish habitat will be accomplished. The presence of riparian vegetation affects stream shading and helps maintain cool water temperatures that are critical for winter- and spring-run salmon and steelhead trout, helps to control erosion and siltation and helps provides terrestrial habitat for insect prey of native fish. In addition, Digger Creek is a source of cool water to the North Fork helping to support critical habitat for winter- and spring-run salmon. It is anticipated that acquisition of the conservation easement on Eagle Canyon Ranch (Pelton property) will also permit the existing habitat to remain unfragmented and to be protected without the need for revegetation.

Tributary ecosystems are also hydrologically integral to the larger Sacramento River mainstem and therefore have a direct impact on the native fisheries throughout the river system. Battle Creek provides essential breeding habitat, migratory corridors and dispersal pathways for numerous species of neotropical migratory birds and other wildlife.

Monitoring and data evaluation: As part of this proposal, an initial site and resource assessment will be conducted for the property as part of the baseline (easement documentation) report. This report will consider the existing condition of the property at the time of purchase of the conservation easement. The benefits of land protection are largely preventive—providing that the property may not be further subdivided or developed in an adverse manner. Outside the scope of this proposal, future monitoring of land protection projects, in particular conservation easements, comes in the form of compliance monitoring to ensure that the terms of the conservation easement are met.

Beyond the scope of this proposal, it is The Nature Conservancy's strategy at Battle Creek to work cooperatively with the Battle Creek Watershed Conservancy on that organization's watershed community strategy. The Conservancy is also active in the efforts to create a naturally meandering river channel along the Sacramento River. TNC has also recently contracted with the Point Reyes Bird Observatory (PRBO) to conduct a baseline neotropical bird monitoring on Battle Creek. Riparian habitat and bird monitoring will follow the methodology in A Handbook of Field Methods for Monitoring Landbirds by C.J. Ralph et al. (U.S.D.A. Forest Service Publication, Gen. Tech. Rep. PSW-GTR-149, 1993). Bird monitoring is a coordinated effort with PRBO to understand the importance of tributaries to the greater Sacramento River ecosystem.

Table 1 - Monitoring and data collection information

Biological and ecological objectives			
Question and hypothesis to be evaluated	Monitoring parameters and data collection approach	Evaluation approach	Comments
Conditions of the easement will be met by the landowner? (Compliance monitoring)	Site visits are made, condition recorded, and property owner notified of any infractions. The easement would likely include development, stream bank protection and grazing restrictions.	Standard monitoring forms.	High priority/ This work will fall outside the scope of this grant agreement.
Lands protected by easement contribute to the recovery of species of concern to AFRP?	TNC will work cooperatively with government agencies and nonprofits such as USF&WS, CDF&G and PRBO to assess the region-wide health of salmon, neotropical birds and other species.	If desired, TNC will encourage the placement of monitoring stations for aquatic and riparian species on protected sites and encourage landowners to participate in monitoring programs.	Moderate/ This work may fall outside the scope of this grant agreement.

Schedule milestones

Task 1: July 31, 2001

- Negotiate conservation easement acquisition with the landowner. Possibly begin due diligence, including assessment and title review.
- Complete negotiations and complete due diligence, including assessment and title review.

Task 2: December 31, 2001

- Close the conservation easement transaction.

TOTAL BUDGET

TASK 1:

Direct salary and benefits of \$12,750 are calculated for due diligence and project management activities described in the Scope of Work/proposal. Benefits are calculated at 37.5% of salary paid for hours worked in accordance with our Negotiated Indirect Costs Rate Agreement (NICRA) fringe benefit rate.

Service Contracts of \$22,000 for due diligence activities include the costs of an appraisal, survey, phase I assessment, closing and escrow costs, all of which will be obtained from a group of vendors that TNC uses on a regular basis and paid from invoice rather than through a written contract.

Overhead and indirect costs of \$6,950 included in this proposal are 20% of direct salaries and benefits and service contracts -- TNC's approved NICRA indirect cost rate, which is 20% of total direct project costs, including subcontracts but excluding the purchase price of any land interests. The indirect portion includes costs associated with general office requirements and general staff as well as legal and grants administration staff.

TASK 2:

Material costs of \$380,000 are estimated capital costs for purchase of the conservation easement. Actual costs for the conservation easement will be based on an appraisal. Other costs incurred in acquisition of the conservation easements are included in Service Contracts.

Task	Direct Labor Hours	Direct Salary & Benefits	Service Contracts	Material & Acquisition Costs	Misc. and Other Direct Costs	Overhead and Indirect costs	Total Cost
Task 1: Due diligence and project management	362	12,750	22,000	--	--	6,950	\$41,700
Task 2: Acquisition	--	--	--	\$380,000	--	--	\$380,000
TOTALS	362	12,750	22,000	380,000	--	6,950	\$421,700

Regarding acquisition, TNC will close with its own funds and request reimbursement for capital costs in addition to other acquisition costs. As an alternative, TNC will request that, if timing permits, capital funds be advanced into escrow prior to closing.

Deliverables: TNC will provide a copy of the appraisal, legal description, baseline report and map of the property upon request.

Sample quarterly budget

Task	Quarterly Budget Oct-Dec 00	Quarterly Budget Jan-Mar 01	Quarterly Budget Apr-Jun 01	Quarterly Budget Jul-Sep 01	Quarterly Budget Oct-Dec 01	Total Budget
Task 1	14,000	20,000	7,700			\$41,700
Task 2			380,000			\$380,000